



**Report of the Waterside Advisory Panel
City of Norfolk, VA
December 17, 2010**

Table of Contents

1. Executive Summary
2. Introduction
3. The Site
4. Stakeholder Meetings
5. Challenges/Constraints
6. The Vision
7. Recommendations
8. Implementation Strategies

Appendix A - Schedule for Waterfront Advisory Panel
Appendix B - Panel Member Biographies

Acknowledgments

The Waterside Advisory Panel wishes to acknowledge the tremendous support of the staff and elected officials of the City of Norfolk who provided us with information and devoted a considerable amount of their time helping us develop an informed and independent view of the future of Waterside.

David Benn, AIA, LEED A.P.

Debra D. Campbell

Jonathan Goldstick, PE

Charles T. Peters, Jr.

Richard C. Ward, CRE, CEcD, AICP

1. Executive Summary

Waterside is located on the Elizabeth River waterfront and occupies 4.5 acres between Town Point Park and the Sheraton Hotel. It was originally built as a "festival market place" and for many years offered a variety of dining, entertainment and shopping experiences for residents and visitors of Norfolk. Today, Waterside has transitioned to no longer providing both the social or economic benefits to the City it once did. In December 2010, the City of Norfolk convened the Waterside Advisory Panel to evaluate and make recommendations on the future of Waterside. The panel consisted of professionals with credentials in architecture, land use planning and community development, waterfront and port engineering, and commercial real estate services and counseling.

Information contained within this report summarizes the recommendations developed from the panel's three day intensive study process. The panel utilized a variety of resources to formulate its conclusions including interviews with elected officials, stakeholders and staff, technical reports and consultant presentations. In the end, however, the recommendations were influenced more by the observed physical and market realities of downtown Norfolk and Waterside than by the positions of any individual or group of stakeholders.

Summary of Panel Recommendations:

▪ Waterfront Study Area

The waterfront should be planned holistically with Waterside treated as a key catalyst site. A comprehensive strategy for development and maintenance of the Waterside study area extending from the future Intermodal Transportation Center site to the National Maritime Center (Nauticus) should include the following key considerations:

- Maintain and strengthen public access to the waterfront
- Create stronger pedestrian connections from the waterfront back to center city (See Waterside Study Area graphic in Section 3)
- Reconfigure Waterside Drive between St. Paul's Boulevard and Main Street to slow traffic and support pedestrian movement.
- Upgrade or renovate the marina at Waterside and its support facilities, including addition of fueling facilities and perhaps a boating outfitter and additional marina slips.
- Consider adding active ground floor space along the north side of Waterside Drive particularly in the Waterside parking deck.
- Extend and enhance the Esplanade on the waterfront to create a seamless connection to and from the uses along the waterfront.
- Incorporate more active recreational space into Town Point Park
- Consider maintaining ferry service to Waterside after the Intermodal Facility is developed to capitalize on potential visitor traffic.

- **Waterside Facility**

The Waterside building should be repurposed, taking advantage of its positive attributes and generally good condition. This approach is sustainable, economical and retains a facility that has a great deal of emotional attachment in the community. The facility should be active from morning to late night and invite the public to the waterfront.

- **Ground Floor**

- The ground floor should be largely open and available to the public.
- The ideal core use of the ground floor would be a large scale public market with fresh fish, fruit, vegetables and other local/organic produce facing Waterside Drive and extending through the middle of the building to the waterfront, while preserving visual transparency. This would be a regional attraction for "foodies" and casual buyers, borrowing from the successes of public markets elsewhere: New York's Union Square, Cincinnati's Finlay Market, Baltimore's Lexington Market, Seattle's Pike Street Market, as well as New York's specialized gourmet Eataly.
- Much of the floor area facing the waterfront and at the building corners should be occupied by diverse restaurants, including a top flight seafood venue with outdoor seating and entrances.
- Minimize impulse retailing.
- Reduce the size of common areas
- Provide better circulation and visual connections to the adjacent Towne Bank Fountain Park.
- Enhance the marina facilities

- **Second Floor**

- The second floor should be reconfigured to accommodate selected premier destination uses and/or office use.
- Incorporate at least one destination dining/ night life operation with balcony seating and views of the waterfront.
- Consider a large destination health club - glazed to the atrium and open to the views outside.
- A large banqueting facility would be desirable.
- Activate Waterside Drive building face (north facing)
- Enhance Waterside building at the waterfront.

- **Implementation Strategy**

Successful redeployment of Waterside requires that the City and its subsidiary organizations cede their present roles and responsibilities as active landlord, developer and property manager to a competent private

real estate development and management entity – a “master developer.” The City’s quest for the Waterside Master Developer should follow a rigorous two-phase selection process. It should involve separate requests for qualifications (RFQ) and proposals (RFP). Included in the RFP would be a description of the scope and nature of improvements and the types of occupancy desired by the city as specified by the Waterside Development Guidelines. Further details regarding the key factors and criteria to be considered in selecting a master developer and responsibilities of the master developer are included in the implementation section of this report.

2. Introduction

The City of Norfolk retained a panel of professionals to study the Waterside site and make recommendations for its future. The panel convened in Norfolk on Monday, the 6th of December 2010. In the first two days, the panel toured the waterfront and the Waterside site and met with City officials and stakeholder groups. The third day was dedicated to formulating the panel's findings and recommendations.

The five panelists were:

- David Benn, AIA, LEED A.P., architecture, urban design and planning, Cho Benn Holback, Baltimore, MD
- Debra D. Campbell, Director of Charlotte-Mecklenburg Planning Department, Charlotte, NC
- Jonathan Goldstick, PE, waterfront engineering, Halcrow, Inc., New York, NY
- Charles T. Peters, Jr., Former Director of the Department of Community Development for Richmond, VA
- Richard C. Ward, CRE, CEcD, AICP, Development Management Group, Zimmer Real Estate Services, St. Louis, MO

The panel was charged with looking not only at the current situation but also anticipating development trends in Norfolk over the next 10 to 20 years and envisioning Waterside in the context of the greater downtown waterfront.

The panel was furnished with background information that included:

- History of Waterside
- Atlantic City Redevelopment Plan, ULI Advisory Services Panel, 2002
- Greater Norfolk Retail Overview and Waterside Chronology, 2006
- 2008 Waterside background material – aerial photographs, maps, demography
- Public Survey results, 2010
- City of Plans 1990 – 2020 by decade
- General Plan 1992 plus draft General Plan 2030, waterfront section
- Zoning Information
- Downtown Norfolk Marina Analysis, 2003
- Demographic package for city and region
- 2010 City of Norfolk Annual Report
- Norfolk's Guide to Strategic Assets
- 2020 Vision Plan
- Merchants List
- Consumer Expenditures
- Fort Norfolk map of Redevelopment Plan
- MacArthur Center Brochure
- Nauticus Brochure

A professional advisory panel requires some time to come together as a group, to meld skills, experiences and personalities. By the middle of the second day the panel had found its groove and, while there were serious and intense debates concerning the details of our recommendations, there was complete agreement about our principal finding. Our final day was spent testing and strengthening that finding, and agreeing on how to present the panel's advice. It should be noted that the information and positions presented by the stakeholders were valuable to the panelists and helped shape the details of our recommendations. In the end, however, our recommendations were influenced more by the observed physical and market realities of downtown Norfolk and Waterside than by the positions of any individual or group of stakeholders.

3. The Site

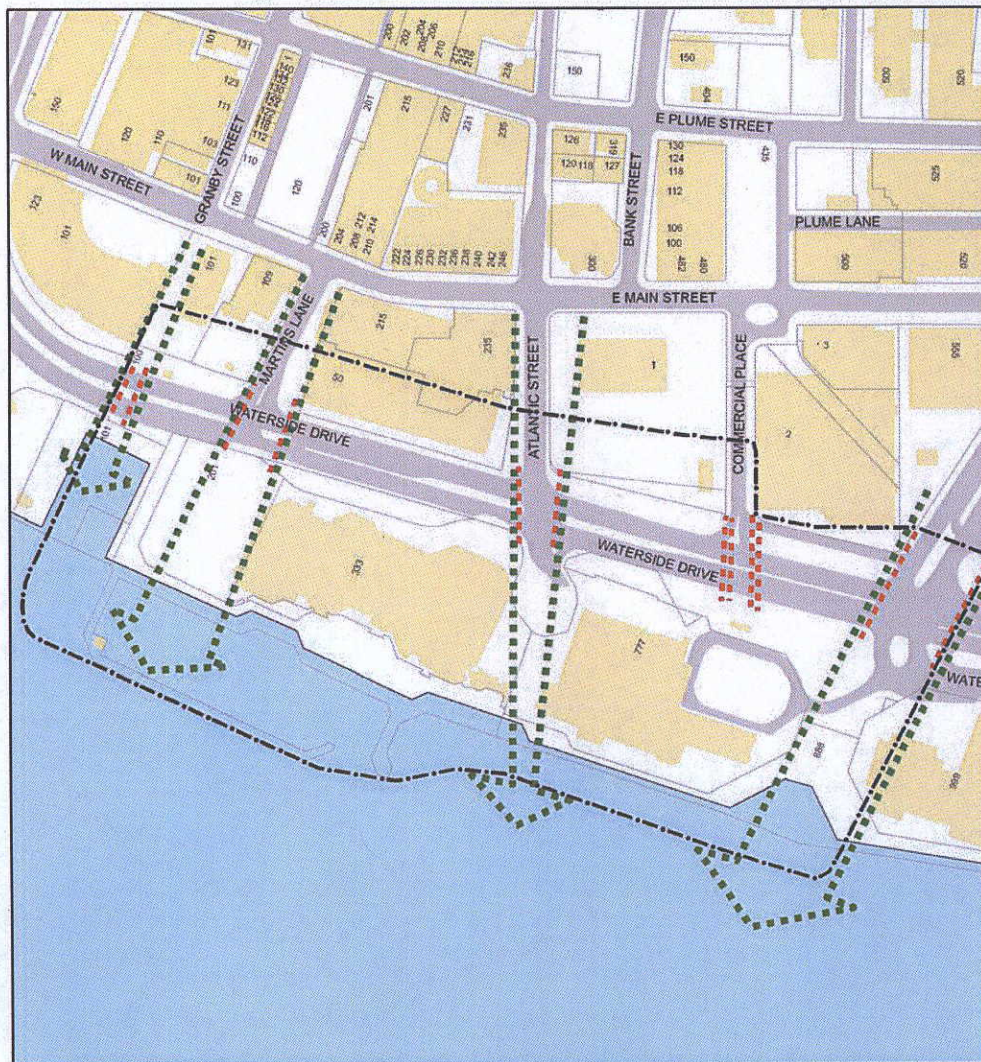
Located on the Elizabeth River waterfront, the Waterside site occupies 4.5 acres between Town Point Park and the Sheraton Hotel. Between Waterside and its supporting parking structure is Waterside Drive, its front door but also a major commuter thoroughfare that connects to I-264. While, from all indications Waterside Drive was not deemed a barrier to pedestrian access while Waterside was successful, nor is it today during major waterfront festivals or events, the busy roadway currently contributes to a sense of isolation of the waterfront.

The view from the site is of a busy, lively, working waterfront, that is active 24-hours a day, with much for the visitor to experience when arriving.

While the Esplanade (a wide, handsome pedestrian way along the water's edge) physically connects the National Maritime Center (Half Moone Cruise and Celebration Center, Nauticus and USS Wisconsin) to Waterside, there appears to be little other than Waterside itself to enliven the pedestrian experience or to entice visitors to continue the walk, since the view across the river doesn't change until past the Berkley Bridge.

The new light rail line to downtown with two stations located within walking distance of Waterside certainly will add activity to the downtown core and potentially to nearby Waterside. Access will be further enhanced with the planned Intermodal Transportation Center to be located at Harbor Park, including a new ferry terminal and commuter rail station.

The boundary of the Waterside Study Area is shown on the figure on the following page.



Waterside Study Area

--- A - Waterside Study Area Boundary

--- B - Crosswalk

--- C - View Corridor

0 65 130 260 390 520 Feet

1 inch = 250 feet

4. Stakeholder Meetings (what we heard and learned)

The first morning began with briefings to confirm the panel's scope of work and to provide an overview of the City, the Norfolk development vision, and the history of Waterside. An overview of retail in the region providing additional background on the festival market concept was also included. A complete schedule is contained in the appendix.

The stakeholder meetings yielded informal discussions that lasted between one and one and one half hours each. During the meetings, the panel sought stakeholder input on Waterside and on the overall waterfront, including impressions of the current situation and their visions for the future. Discussions also covered the character of Norfolk and its relation to the region. A summary of some common themes is presented below, grouped according to the frequency of the comments heard.

Views shared by almost all stakeholders

- Waterfront should be treated as a whole
 - Do not consider Waterside in isolation
 - Look from Ballpark to the National Maritime Center (Nauticus)
- Waterside should look to and celebrate waterfront
 - Must provide visual and pedestrian access to the waterfront
- Not currently a draw for families
- Waterside Drive is not a serious impediment to access
 - Pedestrian surface crossings should be improved
 - Was not a problem when Waterside was a draw
- Good seafood restaurant needed
 - Phillips was not great food
 - Space not as nice (water facing) as Hooters
- Waterside was the catalyst that spurred a very successful Norfolk
 - Waterfront rejuvenation
- Waterside is no longer a draw for the public
- The National Maritime Center is a positive amenity
- Norfolk is or should be considered the center of the region and should be
 - Draw patronage and visitors from well beyond its boundaries

Views shared by a majority of stakeholders

- The City is not a good landlord
 - It is not their area of expertise
- MacArthur Center has hurt Waterside
 - It has up-to-date dining, retail, movies
- An overall waterfront plan is needed
- No need to replicate open space of Town Point Park
- Building does not open sufficiently to water - too much interior space
 - Side facing water is generally nice

- Good parking
 - Bad wayfinding
 - Too expensive for casual Waterside visitors
- Provide fueling at marina
 - Other boating support facilities are there but not attractive (rest rooms, showers)
- Expand marina

Views heard from some stakeholders

- City could use a major exhibition space (50,000 sq. ft. mentioned)
 - Existing venues cannot handle larger trade shows
 - Cruise terminal does not provide
- Waterside only marginally supports Festevents at Town Point Park
- Hoteliers are driven by occupancy levels and room rates
 - Waterside is not a draw but also not a serious deterrent to their guests
 - They do not recommend Waterside as a destination to their guests
 - They are not opposed to "competing" activities at Waterside such as
 - Exhibition or banqueting space, since these can attract hotel patrons
 - The cruise industry has not produced a large increase in room occupancy
- Riverboat gambling should be considered
 - But unlikely state legislature will pass enabling legislation
- Any waterfront development should have a low profile (height)
 - To avoid visually walling off the water's edge
 - An unwritten design principle
- Walling in upper floor of Waterside has hurt the overall look and feel of the interior space
- An overall vision and authority is needed to coordinate waterfront development
- Many bypass Norfolk or go from Norfolk to Virginia Beach for dining and entertainment

Uses and activities proposed by stakeholders

The panel heard suggestions for a number of *uses and activities*, the majority of which are captured below (in alphabetical order) and some of which are expanded upon in other sections of this report.

Use or Activity	Comments
Banquet Hall	There is no large banqueting facility with waterfront views (events, parties, celebrations as well as banquets). The Sheraton has a small space. The Half Moone Cruise Terminal can also stage banquets, but the space is smaller than what could be provided at Waterside and is a multi-functional space that may have conflicting activities.
Beach	This would be a seasonal or infrequent event – importing beach sand to allow city dwellers to “go to the beach”. This has been done on other waterfront sites – along the Seine in Paris as well as in Brooklyn Bridge Park in New York City.
Beach Volleyball	This would also require importing sand and could include setting up bleachers and staging tournaments.
Biking	Include the Waterside esplanade as part of the longer waterfront bike path in a way that is safe for cyclists and pedestrians.
Boating	Encourage boating activity since this is seen as a way of attracting more people to use the site as well as providing interesting activities for others to watch.
Exhibition Space	The City does not have a large (50,000 sq. ft. or larger), contiguous exhibition space for trade shows.
Ice Skating	This could be a temporary facility set up in the winter in Towne Bank Fountain Park in winter.
Kayaking	Kayakers generally require simple access to the water (maybe a ramp to a float), located near a place that they can unload their kayaks from their cars.
Marina - Upgraded	There are no fueling facilities at Waterside and most boaters fuel in Portsmouth. Waterside does have sewage pump-out as well as basic rest rooms, showers and laundry facilities.
Office Space	Office space on the second level could increase the level of activity and provide resident consumers.
Playground	The indoor playground at Joe’s Crab Shack is for customers only. A public playground could be considered within or outside the building.
Residential	As with office space, this could increase the level of activity and provide resident consumers.
Restaurant	A “good seafood restaurant” with a view of the waterfront was a near unanimous suggestion. The type or types of restaurants that would be best suited to the site must be considered (Legal Seafood or No Name Seafood from Boston mentioned).

Use or Activity	Comments
Retail	The type of retail and configuration of the retail space and individual retailers must be developed based on the ultimate use of the facility and the consumers who are being targeted.
Riverboat Gambling	Implementation would require an act of the legislature, which is considered highly unlikely.
Sailing School	The National Maritime Center currently has plans to begin a sailing school that will provide outreach to "at risk" youth and raise awareness of the waterfront.
Sculpture Park	Millennium Park in Chicago and CityGarden in St. Louis are prime examples of public art in well landscaped urban park settings.
Seafood/Produce Market	Pike's Place in Seattle, Granville Market in Vancouver and Finlay Market in Cincinnati were cited as examples of destination markets for fine seafood and produce.
Skateboard Park	A temporary or permanent outdoor facility.
Symphony Space	The Virginia Symphony Orchestra now performs in the 2,500-seat Chrysler Hall.

5. Challenges/Constraints

Waterfront Area

- Festival marketplaces have experienced dramatic losses of market share throughout the country, having to compete with revitalized downtown districts as well as all variety of suburban strip malls and lifestyle centers.
- Revitalization of other parts of downtown has redirected development away from the waterfront.
- Pedestrian access, particularly to the waterfront and Waterside, is impeded by Waterside Drive which is a four lane divided thoroughfare made wider by parallel parking and left turn lanes.
- There is no holistic vision and master plan for the entire waterfront.
- The area lacks an umbrella organization to manage the variety of uses along the Waterfront.
- The overall economic downturn has slowed the pace of development throughout downtown Norfolk.
- The area lacks sufficient active uses to draw people to the Waterfront year round - festivals are only in warm months.
- Signage discourages visitors from walking along the Esplanade after dark.

Waterside Facility

- Citizens have strong emotional connections to Waterside and most would prefer the structure not be demolished without a better and certain alternative.
- Stakeholders and citizens have different and often conflicting expectations and visions for the future use of the site.
- Waterside is terribly underutilized and turns its back to Waterside Drive.
- The property has long had the city as its default landlord along with a contract leasing agent, an arrangement which has deferred timely upgrades and reprogramming to maintain its competitiveness.
- There are no major chain users or high-end anchor tenants and the limited number of discount tenants have little regional draw.
- Significant reconfiguration of the building and its structural and mechanical systems is likely to be cost prohibitive.
- Visitors have to pay to park and cross Waterside Drive to access the site.
- The building is generally in good structural condition and presents no apparent health or safety problems.
- Due to past problems, there are real concerns about adding more night life venues (especially "night clubs").
- Considering numerous other competing public needs, uncertainty exists as to how Waterside ranks as a citywide priority.

6. The Vision

The panel, after hearing from an assortment of intensely interested citizens, has concluded that there is not a clear, articulated, commonly held vision for the waterfront. Everyone agrees that the waterfront is critical to the future of Norfolk, that the river should be readily accessible to the public (visually and as pedestrians) and that the Esplanade is important. Beyond that, the picture is very murky. We recommend that, beyond the present concern for the future of Waterside, the community needs to focus on the larger waterfront in significant depth and detail, including the future of Waterside beyond this panel's recommendations.

While the panel had limited time to study and analyze the issues, we believe that the waterfront from the National Maritime Center to the Berkley Bridge should be *vibrant, welcoming, accessible, visible and overwhelmingly public - a source of pride for Norfolk designed to attract both residents and visitors.*

This "vision," is the basis for our recommended treatment of Waterside. Within this, the Waterside site should be a public place encouraging views and access to the water.

7. Panel Recommendations

Waterside Study Area

The waterfront should be planned holistically with Waterside treated as a key catalyst site. A comprehensive strategy for the Waterside study area and beyond should be developed that would extend from the Intermodal Transportation Center site to the National Maritime Center (Nauticus).

Key Considerations:

- Public access to the waterfront should be strengthened and maintained. Signage that restricts access to the Esplanade during certain hours should be removed.
- Stronger pedestrian connections from the waterfront back to center city should be established specifically at Commercial Place, Martin's Lane, Granby Street, and transit stops at St. Paul's Boulevard and Atlantic Street as well as to MacArthur Center. This can be facilitated by the addition of streetscape elements such as curb bump-outs and at-grade pedestrian crosswalks along Waterside Drive. (See Waterside Study Area graphic in Section 3)
- View corridors should be maintained and enhanced at St. Paul's Boulevard and Martin's Lane. (See Waterside Study Area graphic in Section 3)
- To provide a view corridor and pedestrian access for Atlantic Street, consider creating a public right-of-way between the existing private service areas located between the Waterside building and the Sheraton Hotel. The adjoining service areas should be modified on both sides of this right-of-way to allow for the creation of an attractive landscaped view corridor with safe pedestrian access to the Esplanade and waterfront.
- Additional tall buildings south of Waterside Drive should be avoided unless sited to avoid significant loss of existing view sheds from tall buildings located north of Waterside Drive in the office core of the business district.
- Reconfigure Waterside Drive between St. Paul's Boulevard and Main Street to slow traffic and support pedestrian movement. This could include installation of additional pedestrian crossings, more street trees, wider sidewalks, planting strips, curb bump outs at crosswalks, removing overhead crosswalks/skywalks, adding banners and/or flags and other treatments as recommended in Norfolk's 2020 Vision Plan.
- Extend and enhance the Esplanade to create seamless connections to and from the uses along the entire length of the waterfront.

- Incorporate more active recreational space into Town Point Park (i.e. playgrounds, an ice skating rink, beach volleyball court (seasonal uses) and bike and kayak rental kiosks to activate the park and waterfront on a year round basis.
- Upgrade or renovate the marina and its support facilities, including addition of fueling facilities and perhaps a boating outfitter. Consideration should also be given to additional marina slips along the Esplanade with breaks for view corridors and special activities.
- Install appropriately scaled and designed signage along the entire length of the Esplanade and along Waterside Drive to identify sites and parking. A wayfinding signage program should be considered for Norfolk's entire downtown.
- Consider adding active ground floor space (preferably retail space) along the north side of Waterside Drive, particularly in the Waterside parking deck, along the blocks between Commercial and Granby Street to further enliven the street and draw people to the Waterfront area. Lining both sides of Waterside Drive with mixed use buildings would enhance this as a boulevard and bring the downtown to the waterfront.
- Consider maintaining ferry service to Waterside after the Intermodal Facility is developed to capitalize on potential visitor traffic.

Waterside Site Options

- Demolish the building now

If the City were to demolish Waterside now, it would represent a decisive action to address an obvious problem. The site could be minimally landscaped as an extension of Town Point Park and the future of the site debated and resolved as part of a recommended Waterfront Master Plan.

Redevelopment options at the site could include providing additional public open space, subdividing the site differently for a mix of uses, or accommodating a significantly different landmark use. However, the panel concluded that none of these alternatives provide a compelling reason to remove the building at this point.

Demolition would remove a community icon, remove a significant opportunity to enliven the waterfront and create an aura of uncertainty about the future of the waterfront as a public space at a time when both public and private resources available for redevelopment are scarce.

- Retain the Building and Make Major Alterations

Festival market places were inherently inefficient users of building floor space. Also, in the view of the panel, Waterside does not relate particularly well to the street on which it fronts. A probable solution to this issue would be to remove the center section of the building and create two pavilions, opening the project to views of the water. Another option would be removing a section of the building end toward the loading/service area to provide better ground floor access/visibility to the outside, improve loading/service and increase the open space/view corridor here. Our belief, however, is that the probable uses of the reconfigured building would not justify the costs involved in this scale of alterations.

- **Retain and Repurpose the Building with Modest Improvements**

Address the obvious problems, explained in more detail below, to extend the use of the building beyond its original Festival Market Place model while creating a stronger sense of place and liveliness on the waterfront.

This option would preserve a Norfolk icon, provide a stronger attraction to the waterfront and add liveliness to the area when there are no festivals or events. Pursuit of a relatively affordable development option suggests greater potential for both attracting stable uses and occupants while incubating new businesses.

Recommended Waterside Development Guidelines

Repurpose the building, taking advantage of its positive attributes and generally good condition. This approach is sustainable, economical and retains a facility that has a great deal of emotional attachment in the community. The facility should be active from morning to late night and invite the public to the waterfront.

Ground Floor

- The ground floor should be largely open and available to the public.
- The ideal core use of the ground floor would be a large scale public market with fresh fish, fruit, vegetables and other local/organic produce facing Waterside Drive and extending through the middle of the building to the waterfront, while preserving visual transparency. This would be a regional attraction for "foodies" and casual buyers, borrowing from the successes of public markets elsewhere: New York's Union Square, Cincinnati's Finlay Market, Baltimore's Lexington Market, Seattle's Pike Street Market, San Francisco's Ferry Terminal, as well as New York's specialized gourmet Eataly.
- Much of the floor area facing the waterfront and at the building corners should be occupied by diverse restaurants, including a top flight seafood venue with outdoor seating and entrances.
- Minimize impulse retailing.

- Reduce the size of common areas since they will not be normally used as programmed event spaces (as was the case in the original festival market place incarnation).
- Provide better circulation and visual connections to the adjacent Towne Bank Fountain Park.
- Enhance the marina facilities with improved shower/dressing areas and laundry facilities, with potential addition of:
 - Ship chandler, boating outfitter, or similar support retailer
 - Fueling station

Second Floor

- The second floor should be reconfigured to accommodate selected premier destination uses and/or office use, with access from limited vertical circulation cores (and with limited common area and corridor circulation).
- Incorporate at least one destination dining/ night life operation with balcony seating and views of the waterfront.
- Another desirable use would be a large destination health club - glazed to the atrium and open to the views outside, communicating activity.
- A large banqueting facility would be a desirable addition provided it can be accomplished without prohibitively expensive structural changes such as column removal and roof replacement/restructuring.

Activated Waterside Drive building face (north facing)

- Provide maximum transparency and access through the building and to the water beyond.
 - Replace solid panels (murals etc.) with glass
 - Provide additional building entries along with canopies
- Bring market stalls out to the street
- Provide new lighting and large scale graphics/signage
- Consider reducing paved area by combining access drive and hardscape.
- Pull entrances back into the building to provide shelter and visual modulation

Enhanced Waterside building on the waterfront

- Enhance opportunities for outdoor dining.
- Continue removal of tenant enclosures on the building decks and balconies
- Consider pulling the outer wall inward to provide more outdoor seating where appropriate.
- Provide large glazed operable doors to open up to the outside.
- Provide balconies for upstairs dining.

General Interior Space

- Retain the transparency of the space located around the atriums on the second floor - double story spaces
- Open up the interior in general.

Make the building and site more sustainable

- Consider rain gardens along Waterside Drive, cisterns for water off the roof for landscape watering needs.
- Insulate the roof and walls where possible.
- When renovating, provide more efficient glazing with shading devices and light shelves to bring more natural light into the space.
- As new mechanical systems are required, consider using river water heat exchange.

Service area

- Reconfigure the service/loading area to provide for a view corridor and pedestrian access from Atlantic Street to the Esplanade

8. Implementation Strategies

In light of the preceding, the panel recommends retaining the Waterside facility, making a series of improvements and setting in place a development management system that will return the project, on a more limited basis, to a functioning and useful component of the waterfront. As the project ages from that point on, the City will need to measure and evaluate on a regular basis the desirability of maintaining the project given capital and operating costs in relation to long term development objectives that emerge from a waterfront master planning process.

Our estimate is that the improvements recommended will require at least a fifteen to twenty year life for Waterside, recognizing that at some point in the future the City may decide to either increase the level of improvement and management or respond to better opportunities as they arise.

Strategy

Waterside is important to the City of Norfolk today as both a community and a real estate asset. From the community's perspective it represents shared identity, pride and enjoyment, much of this derived from its heyday as a nationally recognized "festival marketplace" in the stable of those created by James Rouse and his Rouse Company and Enterprise Development Company. For nearly thirty years, a generation in the lives of most people, Waterside has been an attraction for residents and visitors for shopping, dining and entertainment while engaged with an active and appealing waterfront. As a real estate asset, it is a two story commercial retail facility with 173,400 sq. ft. of gross floor area (130,000 net leasable as currently configured) and located on a 4.5 acre site fronting on the Elizabeth River waterfront in the City of Norfolk. For many years the facility yielded economic benefits to the City as its owner - both net operating from lease income and fiscal benefits. However this largesse has transitioned over the last decade to losses today as operating expenses exceed revenue by as much as \$3 million annually, including debt service on some \$5.4 million in bank loans secured by the site improvements as well as necessary on-going capital improvements and maintenance.

The challenge today is to seek a means to significantly reduce, if not eliminate, the direct cost to the city while maintaining critical community values - public use and access to the ground level, waterfront views and usage and being complementary to adjacent public open spaces.

A fundamental finding and conclusion of the Waterside Advisory Panel is that the existing Waterside facility is worthy of a concerted effort at its redeployment and likely partial reconfiguration to accommodate a contemporary development program. The alternative would be its removal and either replacement by new facilities accommodating completely different uses (such as some combination of signature office, hotel, residential, or retail commercial uses or a major civic or

cultural use) or be improved as an extension of the existing public park and open space. We do not believe the time has come to make such a radical shift in use and facilities.

Master Developer

The panel further concludes that successful redeployment of Waterside requires that the City and its subsidiary organizations cede their present roles and responsibilities as active landlord, developer and property manager to a competent private real estate development and management entity – a “master developer.” The task at hand will be complex and involve more than simply releasing the existing facility. It will require a fresh approach to use and occupancy with corresponding reconfiguration of both leasable and common space. New capital (likely a combination of public and private) will be required to effect these changes along with necessary renovation and equipment changes or replacement of items such as HVAC, fire suppression, fenestration, loading and waste disposal facilities.

A basic assumption is that the city will retain fee simple ownership of the site and building but partner with private investment and development entities to improve and redeploy the facility in response to market-supported development opportunities. The City’s quest for the Waterside Master Developer should follow a rigorous two-phase selection process. It should involve separate requests for qualifications (RFQ) and proposals (RFP). The RFQ should be used to both inform prospective respondents of the opportunity being offered and then screen the “best and brightest” from those submitting statements of interest and qualifications. The RFP would then be issued to only a select group of those deemed most qualified to undertake the tasks that are specified for the master developer. Included in the RFP would be a description of the scope and nature of improvements and the types of occupancy desired by the city as specified by the preceding Waterside Development Guidelines.

Key factors and criteria to be considered in selecting a master developer would include:

Firm/Team Qualifications

- Related project experience
- Team capabilities re planning, design and management of adaptive reuse and renovation
- Creative leasing experience and management of specialized retail, dining and entertainment uses/tenants
- Capitalization and access to capital

Development Proposal

- Vision and plan for the site and its context, and facility reuse/adaptation, including adherence to stipulated Development Guidelines
- Anticipated uses and occupancy
- Scale and allocation of required private vs. public investment in project realization
- Projected economic and fiscal return to the City in terms of jobs and wealth created as well as lease revenue and taxes or fees generated
- Projected return to the master developer in terms of net private revenue and potential asset value appreciation and recapture (if recoverable). It is anticipated that the master developer would receive fees from project performance and value creation as well as baseline costs of development and operation
- Site/facility control by means of lease, ownership, partnership, et al.

The anticipated primary responsibilities of the Master Developer are summarized as follows:

General

- Represent City's interests in pre-development, development, marketing and management activities relative to the site and facility
- Represent City in relations with architects, engineers, construction managers and related professional services
- Assist in relations with various public agencies and their representatives
- Report on design, construction, and marketing progress
- Design and maintain requisite cost accounting systems
- Project management activities, incl. annual management plan with budget/cost report, schedule, organization matrix

Consulting Services

- Oversee preparation of Waterside master site and facility development plan
- Marketing and tenant / user attraction plan
- Project coordination
- Financial projections and modeling
- Coordination with Waterside study area and waterfront master planning efforts
- Advise re easements, covenants, conditions and restrictions

Tenant Leasing

Project Management – site and building improvements, renovation

- Development team

- Project meetings
- Project budget
- Project schedule
- Construction manager procurement
- Project accounting

Appendix A

Schedule for Waterfront Advisory Panel

Schedule for Waterfront Advisory Panel, Norfolk, VA – Day 1, Monday December 6, 2010

9:00 am	Welcome and Charge	Regina Williams	City Manager
9:10 am	Overview of City	Frank Duke	Director of Planning
9:40 am	Norfolk Development Vision	Rod Woolard	Acting Assistant City Manager; Director of Development
10:10 am	History	Stanley Stein	Assistant City Manager
10:30 am	Retail in Hampton Roads	Blount Hunter	Principal, H. Blount Hunter Retail & Real Estate Research Company
10:50 am	Break		
11:00 am	Tour of Waterside, waterfront and downtown; meet tenants	Chuck Rigney	Assistant Director of Development
1:00 pm	Lunch		
2:30 pm	Stakeholder Interview Group 1	William Foster	Chair of Board, Greater Norfolk Corporation; President, Towne Bank
		Barry Bishop	Greater Norfolk Corporation
		Donna Phaneuf	Chair of Board, Downtown Norfolk Council; President, Via Design Architects PC
		Cathy Coleman	Downtown Norfolk Council
		Judy Systun	Chair of Board, VisitNorfolk
		Bob Fenning	Vice President Administration & Finance, Old Dominion University
3:30 pm	Break		
3:45 pm	Stakeholder Interview Group 2	Rob Cross	Executive Director, Virginia Arts Festival
		Susan Goode	Philanthropist
		F. Blair Wimbush	Vice President Real Estate and Corporate Sustainability Officer, Norfolk Southern
		Steve Cooper	Vice President, SL Nusbaum Realty Co.

Schedule for Waterfront Advisory Panel, Norfolk, VA – Day 2, Tuesday December 7, 2010

9:00 am Programming and Town Point Park
 9:30 am Nauticus, Cruise Norfolk and Half Moore

Karen Scherberger
 Stephen Kirkland

Executive Director, Festevents
 Assistant Executive Director, Nauticus

10:00 am	Stakeholder Interview Group 3	Greg Knox Hank Lynch Brook Smith Mark Landers Zack Mansell	Manager, Hooters, Waterside Executive Director, Nauticus Waterside Marina Manager; American Rover Segway Tours Norfolk Walkabout
11:30 am	Stakeholder Interview Group 4	Heather Wood	Director of Environmental Affairs, Virginia Port Authority
12:30 pm	Lunch		
1:30 pm	Stakeholder Interview Group 5	James Wofford Steve Ragsdale Dan Wilke Theresa Thompson Dawn Anderson	Manager, MacArthur Center Sheraton Manager Marriott Manager Courtyard Assistant Manager Courtyard Director of Sales
2:30 pm	Break		
2:45 pm	Stakeholder Interview Group 6	Alvin Keels Denise Goode Carla Howard Amanda Lutke Kevin Murphy Bob Rawls	Global Sports Mgmt Group Dir. of Sen. Mark Warner's office Development Department; downtown resident City Planner; downtown resident President, Downtown Civic League; downtown resident President, Norfolk Federation of Civic League
4:00 pm	City Council Interviews		

Appendix B

Panel Member Biographies

Waterside Advisory Panel
December 6 – 8, 2010

Panelists (biographies follow)

David Benn	Partner in Cho Wilks and Benn, Baltimore, Maryland. Focus is on architecture, adaptive reuse planning, urban design, landscape architecture, master planning, renovation, addition & alteration, sustainable design, arts facilities, performing arts facilities, libraries, sports & recreation facilities.
Debra D. Campbell	Planning Director for Charlotte, NC. Governing Magazine names her one the Public Officials of the Year in 2007. Member of ULI. Known for smart growth strategies, transit oriented development and large scale land use plans.
Jonathan Goldstick	Senior Vice President and General Manager, Halcrow, a waterfront design and management firm. He is viewed as a "maritime" development director in New York. Educated at MIT as a civil engineer; has done work over the world; currently many projects in the greater New York area.
Charles T. Peters, Jr.	Retired. Former Director of the Department of Community Development for Richmond, Virginia. He has extensive planning and community development experience. He currently serves on the Virginia Commonwealth University Real Estate Foundation and has experience with Rouse Festival Marketplaces through Richmond's 6 th Street Marketplace and Richmond's redevelopment along the James River.
Richard C. Ward	Vice President and member of the Development Management Group of Zimmer Real Estate services in St. Louis, MO. Extensive experience as a real estate, community and economic development advisor and in shaping and implementing public/private partnership projects. Well published on a number of subjects related to urban redevelopment and revitalization.

**David W. Benn, AIA, LEED-AP, Principal
Cho Benn Holback + Associates**

David Benn has over 36 years experience in the disciplines of architecture, urban design and planning with special expertise in waterfront projects. Mr. Benn's work includes a wide variety of historic and new construction, architecture and planning. The recipient of the Cornell University Eidlitz Traveling Fellowship, he practiced architecture in London, Teheran, New York City and Ithaca, New York. After teaching architectural design at Cornell University, he joined Diane Cho in 1981 in the firm that is now Cho Benn Holback.

Waterfront projects for which David has been principal-in-charge include a number of significant master plans such as Baltimore's Inner Harbor Master Plan (w/Cooper Robertson), AlliedSignal and Constellation sites, the Museum of Industry, and harbors in Annapolis and Barcelona, Spain. Mixed-use renovations include Tindec Wharf and the six building mill village at Clipper Mill.

He has been active with the Waterfront Center as board member, correspondent, awards juror and chair, conference panelist, workshop leader and tour guide. He is also a board member of the Baltimore Waterfront Partnership where he has concentrated on the promenade and sustainability.

David's interest in waterfronts is an extension of his commitment to revitalizing towns and cities, where he has designed a number of affordable housing projects, historic building renovations, and urban plans. Though a generalist, a major emphasis of his work has been more than 25 educational master plans and buildings including years of work at Virginia Wesleyan College in Virginia Beach.

He has won numerous design awards from the American Institute of Architects, the American Planning Association (MD), American School and University Association, the Maryland Historic Trust, Baltimore Heritage, the National Association of Homebuilders, the State of Maryland's Commitment to Housing Excellence, and the Waterfront Center. Many of these awards were the result of his sensitivity to urban design, master planning and historic renovation.

Debra D. Campbell
Planning Director
Charlotte-Mecklenburg Planning Department

Debra Campbell is responsible for leading a joint City County Planning agency that provides planning services for the City of Charlotte and the unincorporated areas of Mecklenburg County. The Planning Department's current 63-member staff is responsible for: the rezoning, historic district designation and subdivision processes, providing transit station, business corridor and neighborhood planning services, annexation and capital needs assessment processes, staff support for long range transportation planning (MUMPO), and zoning administration and interpretation. The Department also works with a 14 member appointed Planning Commission.

Debra has over twenty nine years of experience in the field of Urban Planning, Transportation/Land Use Integration, Transit Station Area Planning & Development, Neighborhood and Business Corridor Revitalization, Housing and Community Development. Her mission is to develop and implement public policy that makes Charlotte-Mecklenburg an eminently livable, economically vibrant and memorable urban center.

Before moving to Charlotte, Debra held several professional positions with various non-profit and public agencies. Debra served as a Consultant for Neighborhood Enterprise, a Non-Profit Housing Agency, and as a Planner with the Chattanooga Hamilton County Regional Planning Commission and the Tennessee State Planning Office.

She is a graduate of Middle Tennessee State University where she received a Masters in Public Administration in 1980 and a Bachelor of Science in Urban Planning in 1978.

Debra serves on the Board of Directors of several non-profit organizations including; Charlotte Center City Partners, UNCC's Center for Real Estate, Charlotte Mecklenburg Community Foundation for the Carolinas, Metropolitan YMCA of Greater Charlotte and Catawba Lands Conservancy.

Jonathan Goldstick
Senior Vice President and General Manager
Halcrow

Jonathan Goldstick is a registered professional engineer who has been involved with waterfront projects since he graduated from the Massachusetts Institute of Technology. He is a member of the management team of the Maritime Business Group of Halcrow, a worldwide engineering and consulting firm of 7,000 people. He has a particular expertise in the planning and design urban waterfronts.

He is currently working on the waterfront rehabilitation of Roberto Clemente State Park in New York and on an in-water boardwalk from the Nationals Ballpark in Washington, DC. His major New York City projects include Brooklyn Bridge Park, Queens West, Hudson River Park, the East River Waterfront, and the West Midtown Ferry Terminal – all ambitious public projects that are transforming former industrial waterfronts into areas for public enjoyment. A critical component of each of these projects is communication with a large number of stakeholders including concerned neighbors, community boards, advocacy groups, and city and state agencies. He actively participates in public forums, agency presentations, and working meetings to inform the stakeholders and reflect their concerns in the designs.

In 2009, Jonathan was chosen to participate in the David Rockefeller Fellows Program which exposes participants to key leaders and issues in the private, public and not-for-profit sectors of New York City. The program is designed to enable a new generation of private sector leaders to deepen their understanding of the public needs of government, and to take an active role in shaping the future.

Charles T. Peters, Jr.

Former Director of the Department of Community Development for Richmond, Virginia. He has extensive planning and community experience. He currently serves on the Virginia Commonwealth University Real Estate Foundation and has experience with Rouse Festival Marketplaces through Richmond's 6th Street Marketplace and Richmond's redevelopment along the James River.

Now retired, Charles has more than thirty years experience in the disciplines of planning and community development. He began his career with the Virginia Division of State Planning and Community Affairs and moved to the City of Richmond holding several increasingly complex planning positions ending with being the Director of the Department of Community Development.

He is a graduate of the University of Virginia where he received a Bachelor of Arts degree in City Planning in 1967. He also completed coursework and examinations for a Masters of Public Administration there.

Currently Charles serves as a Board Member, Historic Richmond Foundation; Board Member, Vice Chairman and Chairman, Virginia Commonwealth University Real Estate Foundation; Richmond Public Art Commission; is a member and Past President of the Fan District Association; and is a member of the Board and Executive Committee for the Richmond Eye and Ear Health Care Alliance.

Previous board and committee engagements include Richmond Redevelopment and Housing Authority; Richmond Better Housing Coalition; Association for the Preservation of Virginia Antiquities William Byrd Branch; United Way Services; citycelebrations (formerly Downtown Presents); Virginia Performing Arts Foundation (now Center Stage Foundation); Council for America's First Freedom, Founding Member; BMW Motorcycle Owners of America Educational Foundation; and Virginia Motorcyclists Against Cancer.

Richard C. Ward, CEcD, CRE, AICP
Vice President, Development Management Group
Zimmer Real Estate Services

Richard is Vice President and a member of the Development Management Group of Zimmer Real Estate Services with offices in St. Louis and Kansas City. His principal areas of focus include: shaping and advising public/private ventures and partnerships; developer selection and development agreements; site selection and acquisition strategies; incentive agreements between local governments and private investors; litigation support and expert testimony relative to redevelopment and eminent domain, land use controls, and public/private partnerships; and master developer arrangements for complex multi-developer projects.

Prior to joining Zimmer in 2007, Richard was the founder and chief executive of Development Strategies, consultants in real estate, economic and community development located in St. Louis with assignments nation-wide. He is a certified economic developer with the CEcD designation of the International Economic Development Council (IEDC); a Counselor of Real Estate (CRE); and a member of the American Institute of Certified Planners (AICP). He has been an active member of IEDC and its predecessor, CUED, for over twenty years, having served as a member of its Board of Directors for the past fifteen years. He is a long-time member of the Urban Land Institute and former chair of its Public/Private Partnership Council (current member), Small Scale Development Council and St. Louis District Council. He holds graduate degrees in business administration (major in finance) and urban design from Washington University in St. Louis and in urban and regional planning from Virginia Tech.